

PROPOSAL TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2024

Date: 2 April 2024

Background and Introduction to the Remuneration Policy for the Management Board

Avantium N.V.'s (**Avantium** or the **Company**) current remuneration policy was approved by the annual general meeting of shareholders in 2020. This remuneration policy included both the remuneration policy with respect to the management board (the **Management Board**) and Supervisory Board (the **Supervisory Board**). The Supervisory Board, upon recommendation of the Company's remuneration committee (the **Remuneration Committee**), proposes to amend the current remuneration policy and to split it into remuneration policies for the Management Board and the Supervisory Board, respectively. This proposal is made following an extensive consultation with shareholders and other stakeholders.

In accordance with Article 2:135a (2) of the Dutch Civil Code, every four years the Company needs to submit for adoption to the general meeting of shareholders an updated remuneration policy for both the Management Board (the **Management Board Remuneration Policy**) and the Supervisory Board (the **Supervisory Board Remuneration Policy**), taking into consideration any adjustments required on the basis of Dutch legislation or EU directives, shareholders' and shareholder representatives' feedback, and other changes deemed necessary based on remuneration trends and benchmarking.

As the last policies were adopted in 2020, the updated remuneration policies for the Management Board and the Supervisory Board will be proposed for adoption by the annual General Meeting in 2024.

Avantium is fast approaching the greatest inflection point in its history, marking the successful completion of Avantium's transition from an R&D company to a commercial organisation. In preparing for the updated remuneration policies, we have concluded a review to assess whether our established policy serves us well in attracting and retaining the desired Management Board and Supervisory Board members, and whether we are providing compensation in line with our values and long-term interests.

The conducted review of our remuneration policy seeks to ensure a pay practice that remains fit for purpose for the years to come. We want a policy that remains aligned with Avantium's transition, that allows to attract the right talent from the market and with a focus on pay for performance through long-term variable pay, which is transparent, clear and measurable.

In developing this proposal, we worked with independent external advisors and continued our dialogue with our shareholder base and other stakeholders, both internal and external, to ensure that we consider their valuable input and perspectives as well as the appropriate (societal) context, and that we achieve alignment on expectations.

In our 2024 annual general meeting of shareholders (the **General Meeting**), we propose a number of changes which are described in detail in the draft Management Board Remuneration Policy attached to this document. In this document we take the opportunity to highlight the key changes to the existing policy.

Management Board Remuneration Policy

1. Remuneration benchmark

A benchmark exercise is generally conducted at least once every four years.

The Remuneration Committee conducted a remuneration benchmark assessment of the market competitiveness of the current compensation package of the members of the Management Board, in preparation of submitting an updated Management Board Remuneration Policy to the General Meeting for approval.

As with the remuneration philosophy for all Avantium employees, the remuneration of the Management Board should be competitive in our reference market. To define this market, a reference benchmark group is approved by the Supervisory Board, consisting of companies that are selected on criteria such as size, complexity, geography, governance framework, scope and type of industry and the need for flexibility towards future growth. The reference group uses a threshold of 12 peer group companies. The new reference group includes European peers only and excludes USA based peers.

The reference group is composed of companies across various relevant industries – chemicals (7 out of the 12 companies), paper and forest products, electrical equipment, containers and packaging and automobile components, reflecting Avantium's size, profile and international scope.

The companies in the reference group are:

Company	Market Cap	Revenue	Employees	Country of Headquarters	GISC Industry
BRAIN Biotech AG	109	56,225	318	Germany	Chemicals
Carbios SAS*	399	70	104	France	Chemicals
Corbion N.V.*	1,476	1,457,900	2,443	Netherlands	Chemicals
Evolva Holding SA	48	15,478	50	Switzerland	Chemicals
Global Bioenergies SA*	44	579	45	France	Chemicals
Holland Colours N.V.	92	111,438	400	Netherlands	Chemicals
METabolic Explorer S.A.*	42	228,152	476	France	Chemicals
Alfen N.V.	1,325	439,876	n/d	Netherlands	Electrical Equipment
Cabka N.V.	170	213,840	595	Germany	Containers and Packaging
Accsys Technologies PLC*	188	162,018	245	United Kingdom	Paper and Forest Products
Kendrion N.V.*	228	519,000	2,753	Netherlands	Automobile Components
Sif Holding N.V.*	313	374,543	370	Netherlands	Electrical Equipment
Avantium N.V.	158	17,826	249	Netherlands	Professional Services

*In the 2020 MB peer group used for benchmarking

The remuneration benchmark assessment was performed on the following compensation elements:

- Base salary;
- Target short-term incentive (**STI**);
- Total cash compensation (TCC) – base salary plus STI;
- Long-term incentive (**LTI**) – as a percentage of base salary; and
- Total direct compensation (TDC) – TCC plus LTI.

As a guiding principle, the total direct remuneration of the Management Board is set at or around the median of the reference market, with a willingness to accept a deviation of up to 20% above or below the median. For establishing the remuneration package, consideration

is given to Avantium's objective of transitioning from a pre-revenue company to a profitable one, although this inflection point has not yet been reached.

Based on the benchmark results, it is proposed to adjust the CEO's base salary a step (+14%) towards the current market standards' median, which brings his total direct compensation just below the median. A smaller adjustment is proposed for the CFO's remuneration (+2%) given his position in the benchmark results. When Avantium has reached the inflection point, the new reference group allows for the flexibility to adjust the CEO's base salary closer to the median over time. As per 1 January 2024 the new base salaries are proposed to become:

- CEO: 342,500 EUR; and
- CFO: 255,000 EUR.

As for STI and LTI, we are proposing an overhaul by replacing the existing incentive plans (ESOP and LTIP, both terms as defined below) with a performance-based share unit plan. By doing so, we aim to put further emphasis on the distinction between shorter and longer term objectives. It will also allow for more transparency on the actual performance measurement and weighting, and the subsequent award of STI and vesting of LTI. For the new key terms and percentages for STI and LTI, reference is made to paragraphs 2 and 3 below.

With the above changes, the new total direct compensation for both CEO and CFO will be set within the 20% margin of the median as per 1 January 2024:

- CEO: 787,750 EUR; and
- CFO: 510,000 EUR.

2. Replacing the existing long-term incentive plans with PSU plan

The current remuneration policy allows for the award of long-term variable remuneration under (i) the 2016 Avantium Employee Stock Option Plan (the **ESOP**) for all key employees, senior management, members of the Management Board and members of the Supervisory Board and (ii) the 2016 Avantium Long Term Incentive Plan (the **LTIP**) for members of the Management Board and management team (collectively, the **Incentive Plans**).

We propose a full revamp of our Incentive Plans. As a result, we will no longer grant awards to the Management Board under the Incentive Plans, which will end once there are no more outstanding obligations under the Incentive Plans. For an overview of awards, please refer to the Company's annual remuneration report. Effective as of 1 January 2024, we propose to introduce a new equity-based incentive plan in the form of a performance share units (**PSUs**) (the **New LTIP**).

Rationale for the introduction of the New LTIP

- Avantium's current Incentive Plans have a hybrid approach, as part of the STI is mandatorily to be invested in investment shares, entitling to matching shares after a five-year lock-up period. The New LTIP aims to provide more transparency and clarity on STI and LTI remuneration components resulting in a clearer distinction between shorter term goals covered by our STI plan and longer-term objectives covered by the New LTIP, thereby reducing overlap between STI and LTI.
- Avantium's current Incentive Plans do not allow for sufficient conditionality on performance measured at vesting. PSUs offer increased transparency and a

performance-based structure. It allows for the Supervisory Board to steer more on performance in full alignment with the Company's long-term goals.

- The New LTIP better aligns with remuneration instruments applied by the external market, including within the updated reference group, allowing for alignment with market practice and the enhanced ability to apply appropriate benchmarking.
- The New LTIP equity incentive is more measurably tied to sustainable long-term stakeholder value creation, enhancing the Management Board's pay-for-performance commitment.

Under the New LTIP, the Supervisory Board will apply an underpin assessment at vesting. It will assess the long-term value creation during the vesting period, to determine whether vesting should occur, taking into consideration the Management Board member's overall performance during the vesting period. In this underpin assessment, the Supervisory Board evaluates (i) the long-term value creation by the Management Board over the vesting period, and (ii) whether any (part) of the fundamental events (financial and non-financial) have occurred. The Supervisory Board will, on the basis thereof, assess whether and to what extent Management Board members are entitled to the (shares corresponding to the) PSUs.

Under the New LTIP, members of the Management Board will be granted PSUs annually, for a value equal to 70% for the CEO and 55% for the CFO of their fixed annual gross base salary. The LTI percentage above the reference market median (60%) underlines the principle of pay for performance and aims to ensure that the CEO's compensation remains congruent with the Company's long-term objectives and shareholders' interests. Although the proposed LTI percentage for the CFO is below the market median (60%), it represents an increase from his current position, enhancing alignment with the foregoing principles, objectives and interests. For further information and applicable terms, please refer to agenda item 10, where the General Meeting is asked for its approval with respect to the New LTIP.

The annual remuneration report will report on the evaluation outcome of the underpin assessment, to the extent related to awards which vesting period has ended in the relevant reporting year, including the number of forfeited and vested PSUs and subsequent awarded shares.

3. Short-Term Incentive

The Management Board Remuneration Policy will be amended in such a way that Management Board members are only entitled to an annual performance-related cash incentive. They will no longer be entitled to an annual non-cash component in investment shares.

In view thereof and to align with market practice, taking into account our reference group, the on-target STI pay-out level is proposed to be reduced from 70% to 60% for the CEO, and from 50% to 45% for the CFO. Both new percentages significantly exceed the median, emphasizing the importance of pay for performance during the forthcoming transition period from a pre-revenue company to profitability.

Moreover, having taken due note of the view of some key stakeholders, the Management Board Remuneration Policy introduces ESG performance measures and amends the related weighting factor.

The targets for the STI will be amended to the following set of measures, for which the detailed goal setting is determined by the Supervisory Board on an annual basis:

Measure	Weight Factor
ESG Performance	10% - 20%
Strategic Progress	25% - 35%
Financial Performance	20% - 30%
Commercial Performance	10% - 20%
Operational Performance	15% - 25%

Although Avantium maintains its view that detailed goal setting qualifies as strategically and commercially sensitive information, it understands that more transparency towards its external stakeholders is desired, both in advance of target-setting and retrospectively. The Supervisory Board intends to provide appropriate transparency on targets, weight factors and actual achievement levels to the extent this does not adversely affect Avantium's interests. In this context, the weight factors provide for a range of a 10% margin per measure.

4. Introduction share ownership

The introduction of share ownership guidelines aims to foster alignment of interests of the Management Board with its shareholders. Share ownership goals are set as a percentage of annual gross base salary, taking into account that the first vesting thereof will be in (at least) 3 years' time.

5. Governance – additional governance provisions

The Supervisory Board proposes to update the governance provisions to comply and align with (evolving) market best practice. In addition to the clause on adjustments to variable remuneration, the following provisions are added:

- Expanding the discretionary authority to adjust STI / LTI goals and objectives in case of exceptional circumstances or one-off events outside the Management Board's span of control, in order to maintain such objectives and goals sufficiently challenging and motivating for the Management Board, rather than the only current option of adjusting ex-post.
- A derogation clause in line with best practice governance standards is added.

- Recruitment and appointment: we have included flexibility for the Supervisory Board to provide a (one-off) compensation upon appointment of a new member of the Management Board, to address the loss of certain expense reimbursements, other loss of income and / or variable remuneration awards that the appointee forfeits from previous employment as a direct result of joining Avantium. The Supervisory Board will provide clear insight in applying any such arrangements in the annual remuneration report.

6. Consultation, dialogue with internal and external stakeholders

As part of our recurring engagement with internal and external stakeholders on remuneration topics, the Supervisory Board met with shareholders, shareholder representatives and the works council. In proposing the changes, we have taken due note of our shareholders' and shareholder representatives' feedback.

The works council has rendered a positive advice in relation to the Management Board Remuneration Policy.

The most important feedback from the stakeholder engagement sessions can be summarized along the lines of the following themes:

- In relation to the reference group and market position: given the transitional phase of the Company, the composition of the reference group should continue to be assessed over the coming years.
- Provide more clarity on distinction between STI and LTI elements, including on short and on-term goals and objectives. The Supervisory Board aims to achieve this by introducing the New LTIP;
- Apply performance based conditionality to the award of the LTI remuneration component (in addition to the time-bound conditionality) and provide for more focus on pay for performance in the LTI. The Supervisory Board aims to achieve this by introducing the New LTIP;
- Provide transparency on goalsetting – ex ante and ex post. Regarding variable pay, several stakeholders underlined the importance of clear target setting. Although Avantium maintains its view that detailed goal setting qualifies as strategically and commercially sensitive information, it understands that more transparency towards its external stakeholders is desired, both in advance of target-setting and retrospectively. The Supervisory Board intends to provide appropriate transparency on targets, weight factors and actual achievement levels to the extent this does not adversely affect Avantium's interests.

MANAGEMENT BOARD REMUNERATION POLICY

AVANTIUM N.V.

Introduction

The remuneration policy for the management board (the **Management Board Remuneration Policy**) of Avantium N.V. (**Avantium** or the **Company**), supports the long-term development of the Company in a highly dynamic environment, while aiming to fulfil all stakeholders' requirements and keeping an acceptable risk profile. In the explanation of our remuneration principles, we will therefore apply different perspectives in order to optimally balance all relevant interests:

- Organizational perspective: how is the remuneration policy aligned with the mission, vision and long-term strategy of Avantium?
- Internal perspective: is this remuneration policy consistent with and proportionate to our remuneration structures and levels within the Company as a whole?
- External perspective: does the remuneration policy provide for competitive executive remuneration in relation to external benchmarks?
- Stakeholder perspective: does the remuneration policy align with the interests of Avantium's stakeholders and does it strike a fair balance?

Adoption

This Management Board Remuneration Policy, as designed by the Supervisory Board upon the recommendation of the remuneration committee (the **Remuneration Committee**) of Avantium, is adopted by Avantium's general meeting of shareholders (the **General Meeting**) on 15 May 2024, and is effective as per 1 January 2024.

Avantium's works council (the **Works Council**) exercised its right to cast its advisory vote prior to adoption of the Management Board Remuneration Policy. The positive advice of the Works Council is part of the meeting documents for the General Meeting.

1. Management Board remuneration - perspectives, principles and objectives

1.1. Organisational perspective: identity, mission and values of Avantium

Avantium is active in renewable and circular polymer materials business and in the industry of renewable chemistry. We develop proprietary chemical technologies and production processes to convert bio-based feedstock into high-performing, cost-competitive and sustainable products, such as plant-based plastics. Avantium commercialises these technologies and production processes, as well as the related sustainable products that we manufacture.

Avantium believes in a fossil-free world. Its mission is to bring to the market novel, cost-competitive, sustainable polymer materials with superior performance characteristics, contributing to reducing carbon emissions, plastic pollution and dependency on fossil resources. We aim to realise our mission by technology and product deployment through commercialisation of our own production and technologies through licensing, joint-ventures and partnerships, thereby working closely with partners throughout the entire value chain. With its research, products and technologies, Avantium is determined to drive the de-fossilisation of the chemical industry and to support the transition from fossil-based to sustainable plastics and materials by using renewable feedstocks to achieve a circular economy and to build a more sustainable world and sustainable future for all, thereby creating value for the environment, society and its investors.

Sustainability is built into our very purpose. It drives our employees, informs our technology development, and excites our commercial partners. Every technology we develop affirms our commitment to helping create a fossil-free future for the planet. We are ambitious in our approach to environmental best practice, social integrity and responsible business policies, governance and transparency.

We have five core values that define what we stand for and how we work with customers and partners:

- 1) We make a lasting impact;
- 2) We are determined team players;
- 3) We do the right things right;
- 4) We are pragmatic idealists; and
- 5) We have fun.

Our people and our culture are our biggest competitive advantage. We foster a safe and vibrant workplace, where our people can thrive and contribute to our mission to help build a fossil-free world. Our success is built on the ambitions, commitment and expertise of our people. We seek to attract and retain people with diverse backgrounds and talents who can turn our mission and strategy into action. We reward our employees with competitive benefit packages.

With regard to remuneration, we believe that our long-term strategy and mission require us to focus the remuneration of the Management Board on the following elements:

- 1) Competitiveness in the market;
- 2) Being transparent and explainable to all stakeholders;
- 3) Being ethical, sound and sustainable;
- 4) Having a long-term focus; and
- 5) Fostering internal alignment and consistency across the Company.

1.2. Internal perspective: remuneration philosophy of all Avantium employees

Avantium wants to attract and retain skilled and talented individuals with diverse backgrounds. Career opportunities are rewarded through a competitive compensation package, flexibility and personal development in a multicultural company operating worldwide.

We strive to offer sufficiently competitive remuneration packages and to reward at or around the median of the relevant market. Generally, every three (3) to four (4) years a salary benchmark is carried out by an external agency to benchmark Avantium's employee remuneration packages with industrial companies in our sector.

Avantium recognises successful teamwork and individual contributions to its success with bonus remuneration. Annually, an individual bonus can be granted based on the performance of Avantium as a whole and the performance of the relevant department. Payment of the bonus remains at the discretion of the Management Board and is subject to approval by the Supervisory Board.

In setting the Management Board Remuneration Policy, the Supervisory Board also takes into account the internal pay ratio. The internal pay ratio between the average pay of Avantium employees vis-à-vis the average pay of the members of the Management Board is calculated based on the specific guidance on the calculation methodology of the pay ratio effective as from 1 January 2023 as provided in the Dutch Corporate Governance Code 2022 (the **Code**).

1.3. External perspective: reference group and market positioning

Our external perspective on remuneration provides us with insight into external pay ratios. We find this perspective important, as we compete with other companies for strong executive talent. To attract, motivate and retain individuals in this group, our remuneration package should always be competitive.

Similar to the remuneration philosophy for all Avantium employees, the remuneration of the Management Board should be competitive compared to a relevant reference market. To define this market, a reference group is approved by the Supervisory Board, consisting of companies that are selected on criteria such as size, complexity, geography, governance framework, scope and type of industry, and the need for flexibility towards future growth.

In principle, a benchmark is conducted at least every four (4) years. In the years without a benchmark, the Supervisory Board considers the appropriateness of any change of base salary based on the market environment as well as the salary adjustments for other Avantium employees. To ensure an appropriate composition of

the relevant reference market, the Supervisory Board reviews the composition of the reference group in conjunction with the frequency of the time a benchmark is conducted and may from time to time change the composition of the benchmark group taking into account the criteria set out above and below.

As a guiding principle, the total direct remuneration of the Management Board is set at or around the median of the reference market, with a willingness to accept a deviation of up to 20% above or below the median.

The 2024 reference group is composed of companies across various relevant industries – chemicals (7 out of the 12), paper and forest products, electrical equipment, containers and packaging and automobile components, reflecting Avantium's size, profile and international scope. The companies in the reference group at the date of adoption of this Management Board Remuneration Policy are:

Accsys Technologies PLC*	Carbios SAS*	Holland Colours N.V.
Alfen N.V.	Corbion N.V.*	Kendrion N.V.*
BRAIN Biotech AG	Evolva Holding SA	METabolic Explorer S.A.*
Cabka N.V.	Global Bioenergies SA*	Sif Holding N.V.
*In the 2020 MB peer group used for benchmarking		

1.4. Stakeholder perspective: balancing interests and sensitivities of stakeholders

In determining executive remuneration, we aim to achieve a fair balance between all stakeholders' interests such as Avantium's investors, the Management Board, employees, customers and society at large. This dialogue with stakeholders on remuneration is directly linked to the long-term financial success of the Company, the commercialisation and long-term value-creation of the Company's innovative technologies, as well as the environmental, social and governance dimensions of sustainability.

This fair balance is important, but the Supervisory Board may at times have to make conscious choices on prevailing interests and not compromise on the effectiveness of the remuneration policy. In doing so, it will recognise its responsibility to explain its choices to shareholders.

2. Remuneration principles

The Management Board Remuneration Policy supports the long-term development and strategy of the Company, while aiming to fulfil all stakeholders' requirements and keeping an acceptable risk profile. The Supervisory Board ensures that the policy and its implementation are linked to Avantium's strategic goals and objectives, and it is designed to encourage behaviour that is focused on long-term value creation for all stakeholders, while the highest standards of good corporate governance are adopted. The Management Board Remuneration Policy is aimed at motivating for outstanding

achievements, using a combination of non-financial and financial performance measures.

The Supervisory Board applies the principle that it wants to remunerate the Management Board in a manner that is fair in the relevant labour market. When formulating the Management Board Remuneration Policy, it aligns with the pay and employment conditions for Avantium's management team, senior management and other employees, considering the internal pay ratios as disclosed in the Company's annual (remuneration) report. The level of support from relevant stakeholders and in society for its Management Board Remuneration Policy is important and is taken into account. The Supervisory Board considers the external environment in which the Company operates, the relevant statutory provisions and provisions of the the Code, competitive market practice and input from Avantium's major shareholders. Furthermore, advice has been obtained from an external remuneration expert, as well as from the Works Council.

2.1. Objectives

The remuneration of the Management Board serves the following objectives:

- (i) enabling Avantium to recruit, motivate and retain highly qualified executives with the right balance of personal skills, competences and experience required to oversee (the execution of) Avantium's strategy and performance;
- (ii) incentivising and rewarding members of the Management Board to utilize their skills and competences to the maximum extent possible to execute the tasks delegated to them including but not limited to tasks and responsibilities imposed by the Dutch Civil Code, the Code and the Company's articles of association (the **Articles of Association**);
- (iii) rewarding members of the Management Board with a balanced and competitive remuneration package that is focused on achieving sustainable results, reflecting the anticipated responsibilities of the role and the time spent;
- (iv) being transparent and compliant, adopting standards of good corporate governance;
- (v) contributing to the long-term value creation of Avantium and accommodating all stakeholders' interests. The Supervisory Board ensures that the Management Board Remuneration Policy and its implementation are linked to Avantium's strategic goals and objectives;
- (vi) encouraging behaviour that is focused on long-term value creation for all stakeholders;
- (vii) reflecting the Company's risk appetite and risk profile, contributing to robust and effective risk management, encouraging to maintaining an acceptable risk profile; and
- (viii) fostering internal alignment and be generally consistent for the Management Board, senior management and other employees.

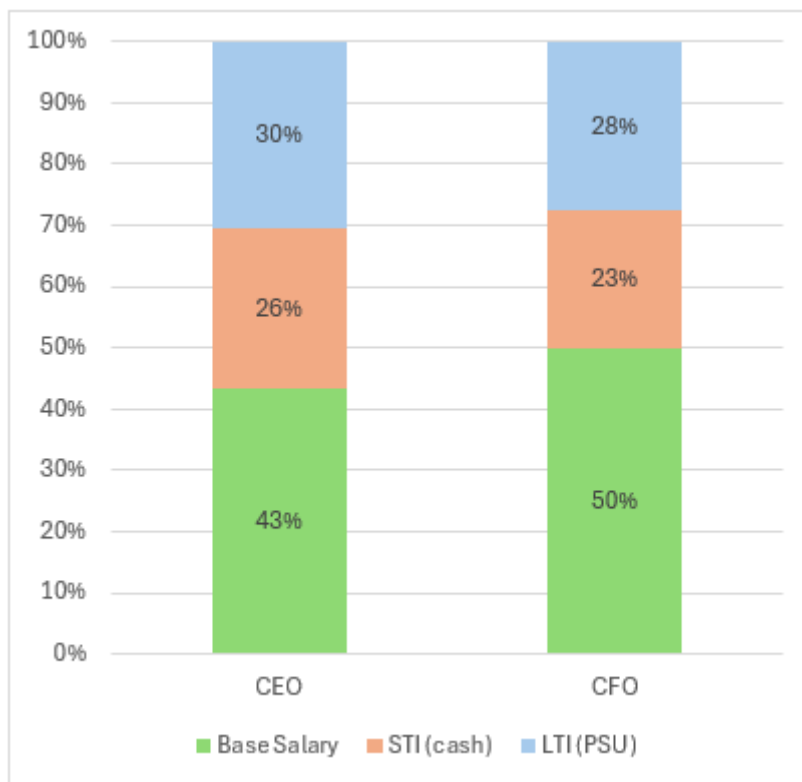
3. Management Board remuneration - components

3.1. Introduction

The total direct compensation (**TDC**) of the members of the Management Board consists of the following main components. Each component and the corresponding performance measures are described in this chapter:

- (i) Base Salary: fixed component paid in cash as a representation of complexity of position and strategic importance to the Company;
- (ii) Short-Term Incentive (STI): variable component paid in cash to create a rigorous pay-for-performance relation through annual financial and non-financial targets for the respective performance year;
- (iii) Long-Term Incentive (LTI): variable component granted in performance share units (**PSUs**) to create direct alignment with long-term shareholder value subject to an underpin assessment; and
- (iv) Other benefits and pensions: fixed component in line with Company policy.

The chart below shows the relative value of the remuneration elements fixed annual base salary, STI and LTI (as defined below), excluding fringe benefits and pension, for both the CEO and the CFO level at on-target level (i.e. 100% of the on-target pay-out percentage), as set out below:



Avantium does not grant any personal loans, guarantees or advance payments to members of the Management Board.

Avantium's Remuneration Committee shall develop proposals for the remuneration of individual members of the Management Board for consideration by the Supervisory Board.

3.2. Fixed annual base salary

The objective of the fixed annual base salary is to compensate for performance of day-to-day activities. The fixed annual base salary of the members of the Management Board is based on the level of responsibility and performance and is set at or around the median of the remuneration levels payable within the reference group, with a willingness to accept a deviation of up to 20% above or below the median.

In a year without a benchmark, the Supervisory Board considers the appropriateness of any base salary adjustment depending on market movements as well as the salary adjustments for other Avantium employees. Any such adjustment should not result in exceeding the median of the reference group by more than 20%, whereby the Supervisory Board is at all times allowed to apply a purchasing power adjustment.

Effective January 1, 2024, the fixed annual base salary of the CEO and CFO will be adjusted to reflect the externally benchmarked median, whereby the fixed gross annual salary of the CEO will amount to EUR 342,500 and of the CFO will amount to EUR 255,000. Based on the benchmark results, the CEO's base salary is positioned a step towards the current market standards' median, with a smaller adjustment for the CFO's remuneration given his position in the benchmark results. When Avantium has reached the inflection point, the new reference group allows moving the CEO closer to the median overtime.

3.3. Short-term annual variable remuneration (STI)

The objective of the annual variable short-term remuneration (**STI**) is to ensure that the members of the Management Board will be focused on realising their short-term operational objectives leading to longer term value-creation.

The STI refers to the annual performance-related cash that is applicable to the members of the Management Board. The on-target bonus level, (i.e. 100% on-target bonus pay-out percentage), is set at (i) 60% of base salary for the CEO, and (ii) 45% of base salary for the CFO. Both new percentages significantly exceed the median, emphasizing the importance of pay for performance during the forthcoming transition period from a pre-revenue company to profitability.

The maximum bonus, i.e. the bonus in case of above-target performance, is equal to 150% of the on-target bonus. If performance is below a predefined threshold level, no bonus will be paid out. If the performance is between the predefined threshold level and the maximum level, the bonus is equal to a percentage between 50% to 150% of the on-target bonus taking into account a sliding scale.

As such, the bonus pay-out levels are prorated upon the level of achievement of the aforementioned performance criteria. The performance measures form a balanced mix of ESG, strategic, commercial and operational performance targets, which together ensure a focus on both the (financial) performance of the Company in the short term, as well as on the sustained Company future in reaching its long-term strategic objectives. For each of the performance measures, the Supervisory Board sets challenging, but realistic targets and target levels. The target setting and performance review occur on an annual basis, except for circumstances where the Supervisory Board considers semi-annual target setting more appropriate. All performance measures are set in advance and will typically not change during the performance period, except that the Supervisory Board may, in its sole discretion, adjust the targets and their relative weighting if required by significantly changed strategic priorities in any given year (reference is made to the Governance provisions).

The performance measures for which the Supervisory Board sets targets and target levels for the Management Board, and their target weighting factors are as follows:

Target	Weight Factor
ESG Performance	10% - 20%
Strategic Progress	25% - 35%
Financial Performance	20% - 30%
Commercial Performance	10% - 20%
Operational Performance	15% - 25%

Non-financial targets will therefore be between 40% and 60% of the overall targets in any given year.

In order to achieve alignment in the remuneration structure of the Management Board and other Avantium employees, a subset of the bonus performance measures, target setting and pay-out schemes as set out in this Management Board Remuneration Policy is applicable to the Avantium employees.

3.4. Long-term annual variable remuneration (LTI)

On an annual basis, shares will be conditionally awarded to members of the Management Board in the form of PSUs under a new equity-based incentive plan (the **New LTIP**). The terms and conditions of the New LTIP will apply.

The number of PSUs to be granted is based on the fixed annual base salary of 70% for the CEO and 55% for the CFO. The LTI percentage above the reference market median (60%) underlines the principle of pay for performance and aims to ensure that the CEO’s compensation remains congruent with the Company’s long-term objectives and shareholders’ interests.

The number of PSUs granted each year is determined firstly, in 2024 based on the closing share price on 15 May 2024, secondly in 2025 using a volume weighted one-year average share price (VWAP) on the date of publication of the 2025 annual report, and thereafter using a volume weighted two-year average share price (VWAP) on the date of publication of the annual report. Subject to the Supervisory Board's underpin assessment, the PSUs will vest three (3) years from the date of award, and subject to a lock-up period of five (5) years from the date of award, with the exception of customary sell-to-cover sales in order to meet applicable tax obligations.

Under the New LTIP, the Supervisory Board will apply an underpin assessment at vesting. It will assess the long-term value creation during the vesting period, to determine whether vesting should occur, taking into consideration the Management Board member's overall performance during the vesting period. In this underpin assessment, the Supervisory Board evaluates (i) the long-term value creation by the Management Board over the vesting period, and (ii) whether any (part) of the fundamental events (financial and non-financial) have occurred. The Supervisory Board will, on the basis thereof, assess whether and to what extent Management Board members are entitled to the (shares corresponding to the) PSUs.

On the basis thereof, the Supervisory Board will, in its sole discretion, assess whether the entitlement to (a part of) the PSUs will be forfeited.

The annual remuneration report will report on the evaluation outcome of the underpin assessment, to the extent related to awards which vesting period has ended in the relevant reporting year, including the number of forfeited and vested PSUs and subsequent awarded shares.

The fundamental event(s) that threaten long-term continuity and long-term value creation of the Company may include but are not limited to:

Financial events:

- The inability to attract funding to pursue the ongoing activities of the Company;
- Significant underperformance of the share price, EBITDA, revenue and/or cashflow outlook for the Company;

Non-Financial events:

- The significant underperformance of the FDCA Flagship Plant;
- Safety event resulting in significant injury or the loss of life and / or significant damage;
- A significant event has occurred (or failed to occur) in relation to the Company's Environmental, Social and Governance policies and reasonably expected obligations (for the avoidance of doubt including CSRD obligations);

- The inability of the Company to deliver on the long-term licensing strategy; and
- Compliance issue resulting in Company being unable to operate in one or more of its primary markets;

where circumstances of the event(s) are / were within control of the incumbent Management Board.

Any awards to members of the Management Board under the New LTIP are subject to customary leaver provisions, which are to be interpreted and applied by the Supervisory Board in its sole and absolute discretion. Under the New LTIP, the Supervisory Board may, in its sole discretion, decide with respect to any good leaver whether (i) a pro-rated number of PSUs shall vest, (ii) the applicable vesting scheme continues to apply, or (iii) any other vesting conditions apply in the sole discretion of the Supervisory Board.

Any awards to members of the Management Board under the New LTIP are subject to customary leaver provisions, which are to be interpreted and applied by the Supervisory Board in its sole and absolute discretion.

3.5. Allowance for pension and fringe benefits

The members of the Management Board are allowed to participate in the pension plan of the Company, which is available to all Avantium employees, whereby Avantium carries the employer's contribution of the pension contributions. The pension plan is based on a defined contribution system. The pension contribution for the members of the Management Board is currently limited to a pensionable salary of €128,810 (2023) and they are currently not compensated for the gap between the pensionable salary and the base salary. There are no arrangements for early retirement.

If revisions are made to the Dutch pension act, the Supervisory Board reserves the right to make such accommodations as it deems reasonable.

An additional remuneration element for the Management Board is expense reimbursements, such as company car costs, travel expenses, social security costs, and a contribution in health and disability insurance costs, all in accordance with applicable Avantium policies, plans and arrangements.

3.6. Service Agreements

Each of the Management Board members provide services on the basis of a services agreement with the Company.

The term of the services agreement shall be for a definite term which in principle shall be equal to the respective term for which each is appointed as member of the Management Board by the General Meeting. The Company's notice period shall be 4 months, unless the Supervisory Board wishes to extend the notice period to 6 months.

Each agreement will have customary provisions on protective covenants and confidentiality.

Severance payments

The Supervisory Board may determine that a member of the Management Board is entitled to a severance payment for the loss of income resulting from the termination as Management Board member. The severance payment is limited to one year's base salary in line with the Code. Any severance or compensation granted by a court in relation to termination of the management agreement shall be deducted from the severance payment.

Recruitment and appointment; flexibility to provide compensation for lost remuneration elements

The Supervisory Board retains the flexibility to provide (one-off) compensation upon appointment of a new member of the Management Board, to address the loss of certain expense reimbursements, other loss of income and / or variable remuneration awards that the appointee forfeits from previous employment as a direct result of joining Avantium. The Supervisory Board will ensure that such sign-on arrangements are no more generous than the original awards or payment they are replacing. Depending on the circumstances at the time, the Supervisory Board may determine the type of award, in cash or shares and the payout or vesting conditions that apply for which the Supervisory Board will aim to offer a like-for-like comparison where possible. The Supervisory Board will provide clear insight in applying any such arrangements in the annual remuneration report.

4. Governance provisions

4.1. Share ownership guidelines

The members of the Management Board are required to build and retain a personal shareholding in Avantium (within five years from the date of appointment with extra time granted if requirements increase significantly) emphasising confidence in the strategy and long-term performance and success of the Company.

The current requirement is 150% for the CEO and 100% for the CFO of their individual fixed annual gross base salary (the **Holding**). The value of the share ownership is determined annually, and the Supervisory Board shall aim to apply a consistent calculation method. The Holding may be built up by retaining all after-tax shares from the New LTIP and does not require personal share purchases. The Supervisory Board will allow members of the Management Board a period of five years to build up the respectively shareholding, taking into account the New LTIP has a three-year vesting period. Members of the Management Board will retain the flexibility to sell shares to cover taxes due in relation to the New LTIP or old incentive plans. At its discretion, the Supervisory Board may waive the shareholding requirement for a limited period of time in the event of extraordinary circumstances, including significant changes in share price.

4.2. Management Board remuneration - adjustments to variable remuneration

In line with article 2:135 DCC, the variable remuneration of the members of the Management Board may be reduced or members of the Management Board may be obliged to repay (part of) their variable remuneration to the Company if (one of) the following circumstances apply:

- (i) Test of reasonableness (malus) - any variable remuneration awarded to a member of the Management Board may be adjusted by the Supervisory Board to an appropriate level (*passende hoogte*) if payment of the variable remuneration were to be unacceptable according to the criteria of reasonableness and fairness (*redelijkheid en billijkheid*);
- (ii) Claw back - the Supervisory Board will have the authority to, in full or in part, recover (*terugvorderen*) from a member of the Management Board any variable remuneration awarded on the basis of incorrect financial data in respect of underlying targets or other circumstances of which the variable remuneration is dependent.

4.3. Derogation

The Supervisory Board may, in circumstances that are deemed exceptional by the Supervisory Board, decide to temporarily derogate from the provisions on fixed annual base salary, as per section 3.2 of the Management Board Remuneration Policy, ultimately until a new remuneration policy is approved by the General Meeting. Exceptional circumstances shall cover only situations in which the derogation from the Management Board Remuneration Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability, as determined by the Supervisory Board at its reasonable discretion. Circumstances may include the necessity of the appointment of an interim or a new member of the Management Board due to unforeseen circumstances (eg illness of sitting member), the outbreak of a crisis or serious financial events.

4.4. Discretion

The Supervisory Board reserves the discretionary authority to adjust STI and LTI objectives, amounts and awards in case of exceptional circumstances or one-off events outside the Management Board's span of control (for example strategic portfolio disposals, significant acquisitions, accounting changes or exceptional one-off costs) or if the individual has committed serious misconduct or violated Avantium's Code of Conduct.

The Supervisory Board has the discretionary authority to adjust actual pay-outs under both the STI and LTI, if any, where the outcomes are not considered a fair representation of actual performance delivered, in line with article 2:135 of the Dutch Civil Code.

Any discretion applied will be disclosed in the annual remuneration report.

5. Governance of the Management Board Remuneration Policy

Adoption of this Management Board Remuneration Policy by the General Meeting upon proposal by the Supervisory Board, after proposal by the Remuneration Committee, takes place at every change and in any case at least every four (4) years. Any amendment to this Management Board Remuneration Policy is subject to the advisory vote of the Works Council.

All revisions of the Management Board Remuneration Policy shall be accompanied by a description and explanation of all significant changes and the decision-making process followed for its determination, review and implementation. Next, it is also explained how it considers the votes and views of shareholders and other stakeholders on the Management Board Remuneration Policy and reports since the most recent vote on the Management Board Remuneration Policy by the General Meeting. If the General Meeting does not approve the proposed amendments to the Management Board Remuneration Policy, Avantium shall continue to remunerate in accordance with the existing approved Management Board Remuneration Policy and shall submit a revised policy for approval at the following General Meeting.

The Supervisory Board is responsible for the execution of the Management Board Remuneration Policy.

In its annual (remuneration) report, the Supervisory Board will communicate clearly and transparently to Avantium's stakeholders how this Management Board Remuneration Policy has been pursued.

The remuneration of the individual members of the Management Board is determined by the Supervisory Board upon the recommendation of the Remuneration Committee.

6. Amendment

The Supervisory Board has conducted a comprehensive review and comparison of its remuneration policy for the members of the Management Board, which has led to this new Management Board Remuneration Policy. The last policy review and remuneration benchmark was conducted in 2020, and a next review is planned for 2028.

Any amendments to this Management Board Remuneration Policy are subject to adoption by the General Meeting, upon a proposal of the Supervisory Board.

All revisions of the Management Board Remuneration Policy shall be accompanied by a description and explanation of all significant changes, the decision-making process followed for its determination, review and implementation, measures to avoid or manage conflicts of interests and pay ratios. Next, the description shall also explain how it takes into account the votes and views of shareholders and other stakeholders of the Remuneration Policy since the most recent vote on the Remuneration Policy by the General Meeting.



When the General Meeting does not approve the proposed amendments to the Management Board Remuneration Policy, the Company shall continue to remunerate in accordance with the existing adopted Management Board Remuneration Policy and shall submit a revised policy for approval at the following General Meeting.
